

OAKTREE CAPITAL GROUP, LLC

Bernstein Strategic Decisions Conference



Jay Wintrob

Chief Executive Officer

Forward-Looking Statements & Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, each as amended, which reflect the current views of Oaktree Capital Group, LLC (the “Company” or “OCG”), with respect to, among other things, its future results of operations and financial performance. In some cases, you can identify forward-looking statements by words such as “anticipate,” “approximately,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “potential,” “predict,” “seek,” “should,” “will” and “would” or the negative version of these words or other comparable or similar words. These statements identify prospective information. Important factors could cause actual results to differ, possibly materially, from those indicated in these statements. Forward-looking statements are based on the Company’s beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Such forward-looking statements are subject to risks and uncertainties and assumptions relating to the Company’s operations, financial results, financial condition, business prospects, growth strategy and liquidity, including, but not limited to, changes in the Company’s anticipated revenue and income, which are inherently volatile; changes in the value of the Company’s investments; the pace of raising new funds; changes in assets under management; the timing and receipt of, and impact of taxes on, carried interest; distributions from and liquidation of the Company’s existing funds; the amount and timing of distributions on the Company’s Class A units; changes in the Company’s operating or other expenses; the degree to which the Company encounters competition; and general political, economic and market conditions. The factors listed in the item captioned “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018, which is accessible on the SEC’s website at www.sec.gov, provide examples of risks, uncertainties and events that may cause the Company’s actual results to differ materially from the expectations described in its forward-looking statements. Forward-looking statements speak only as of the date the statements are made. Except as required by law, the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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Calculation of Assets Under Management

References to total "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount of the AUM reported by DoubleLine Capital LP ("Doubleline Capital"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value (NAV) of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("CLOs"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies, gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine Capital. This calculation of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts managed and is not calculated pursuant to regulatory definitions.

Leading Global Alternative Asset Manager

- Founded in 1995, Oaktree is a leading global investment management firm focused on less efficient markets
- Assets under management of \$121 billion managed using a risk-controlled, value-oriented and opportunistic approach
- Manages assets for a wide variety of clients including many of the most significant investors in the world

GLOBAL FOOTPRINT¹



As of March 31, 2018

¹ Includes offices of affiliates of Oaktree-managed funds. Oaktree is headquartered in Los Angeles.

² Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein. See the Legal Disclosures section for important information regarding Oaktree's calculation methodology for assets under management.

INVESTMENT AREAS²

Assets (\$ in millions)

Credit	\$70,075	Real Assets	\$11,501
Distressed Debt	23,368	Real Estate	9,234
High Yield Bonds	19,558	Infrastructure	2,267
Senior Loans	11,005		
Private/Alternative Credit	7,348	Listed Equities	\$4,741
Convertible Securities	4,669	Emerging Markets Equities	4,207
Multi-Strategy Credit	3,127	Value/Other Equities	534
Emerging Markets Debt	1,000		
Private Equity	\$11,295		
Corporate Private Equity	7,836		
Special Situations	3,459		
Total Client Assets			\$97,612
DoubleLine Capital			\$23,782
Total Assets			\$121,394

Foundation of Oaktree

INVESTMENT PHILOSOPHY

- Primacy of risk control
- Emphasis on consistency
- Importance of market inefficiency
- Benefits of specialization
- Macro-forecasting not critical to investing
- Disavowal of market timing

BUSINESS PRINCIPLES

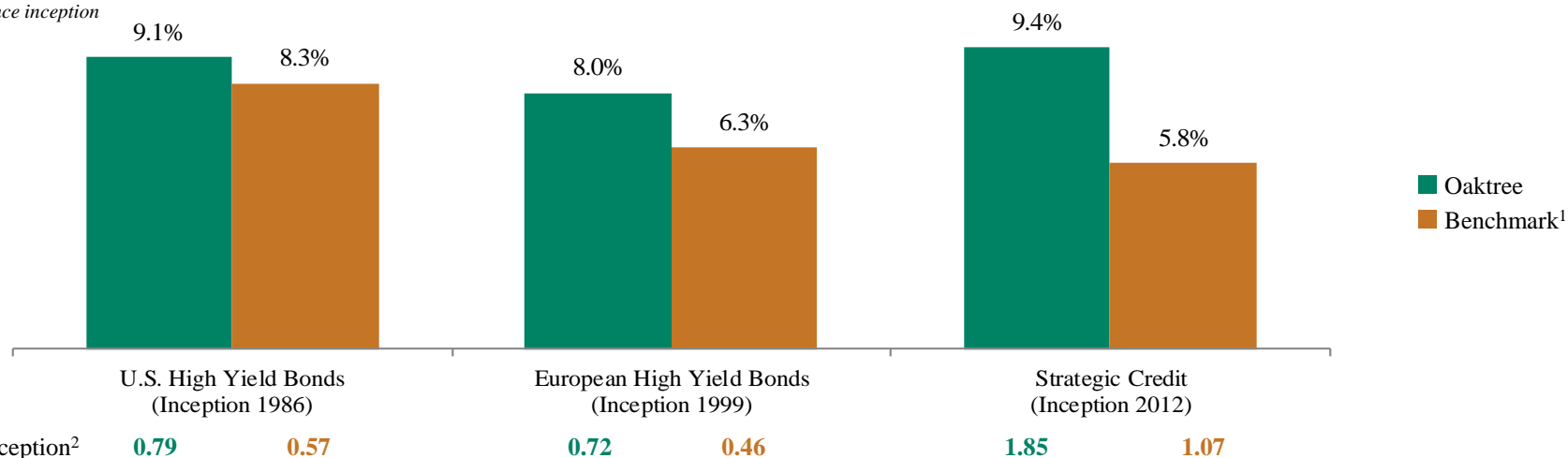
- Excellence in investing
- Proprietary, in-depth research
- Commonality of interests with clients
- Transparent client communications
- Fair, explicit management fee arrangements
- Harmonious, cooperative workplace
- New products are usually “step-outs”
- Profit should stem from performance

Oaktree’s mission is to deliver superior investment results with risk under control and to conduct our business with the highest integrity

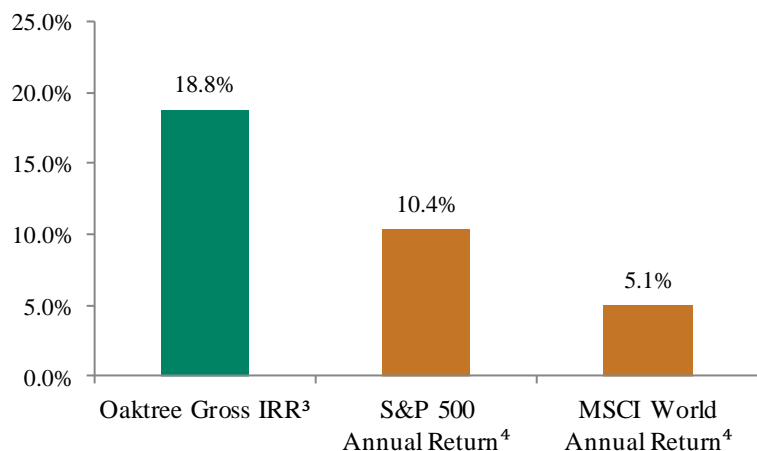
History of Exceptional Investment Performance

SUPERIOR RETURNS, BOTH GROSS AND RISK-ADJUSTED, IN OUR OPEN-END AND EVERGREEN FUNDS

Annualized gross return since inception



OUTSTANDING TRACK RECORD IN OUR CLOSED-END FUNDS



Aggregate closed-end gross IRR since inception	18.8% ³
LTM aggregate gross closed-end return	12.4% ⁵
Drawn capital since inception	\$80 billion ³
% of funds more than 18 months old with positive gross and net IRRs since inception	98%

¹ Detail on benchmarks is presented in the Appendix.

² The Sharpe Ratio is a metric used to calculate risk-adjusted return. It is the ratio of excess return to volatility, with excess return defined as the return above that of a riskless asset (three-month T-bill) divided by the standard deviation of such returns. The higher the Sharpe Ratio, the greater the return for a given level of risk compared to the risk-free rate.

³ Since oldest strategy inception in October 1988. Excludes closed-end Senior Loan funds, CLOs, Oaktree Asia Special Situations Fund, Asia Principal Opportunities Fund, certain separate accounts and co-investments.

⁴ Represents annualized time-weighted return since October 1988.

⁵ Represents time-weighted rate of return for the twelve months ended March 31, 2018. Excludes closed-end Senior Loan funds, CLOs, Oaktree Asia Special Situations Fund, Asia Principal Opportunities Fund, certain separate accounts and co-investments.

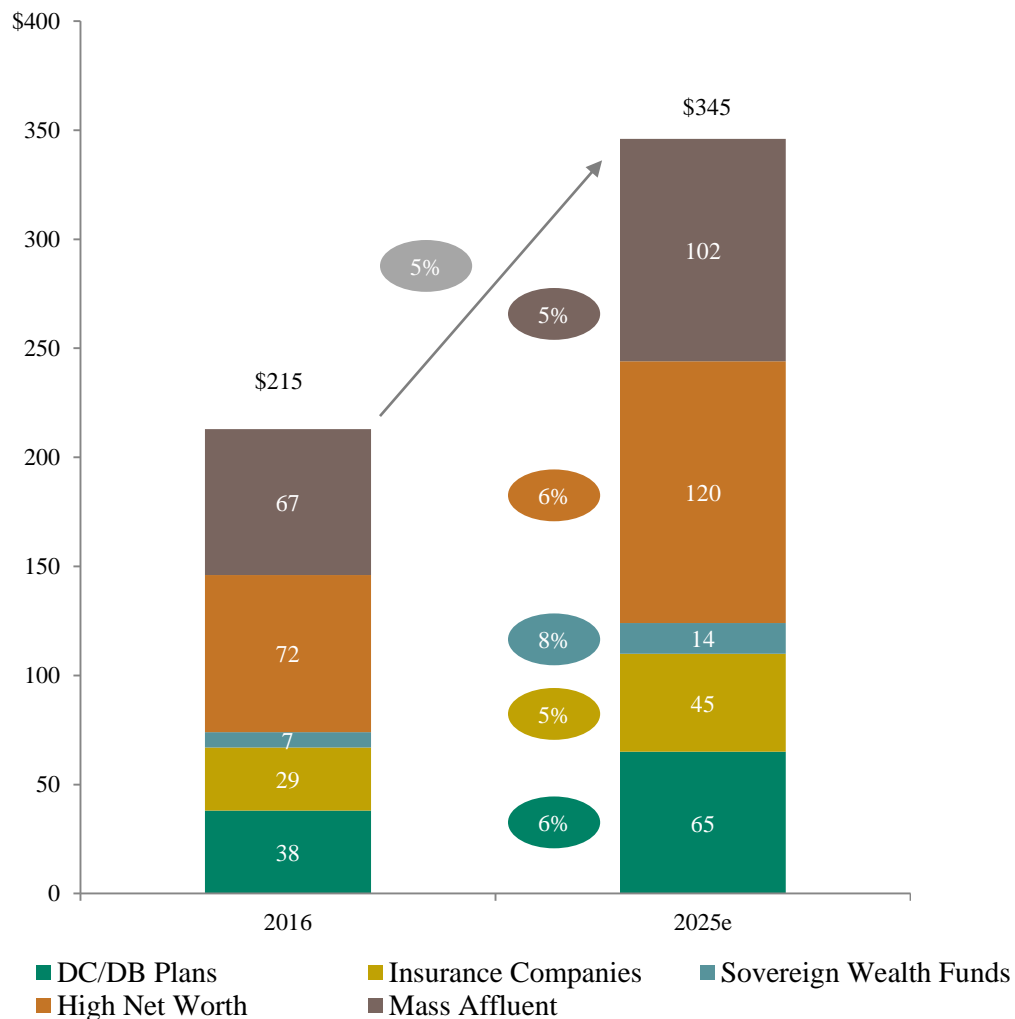
Drivers of Growth in Asset Management

- ➔ Lower for longer: investors increasingly turning to alternative investments for higher returns
- ➔ Demographics: more older people...living longer
- ➔ Social safety nets fraying: pensions underfunded, Social Security and other entitlement programs need reform
- ➔ Retailization of retirement assets: Defined Benefit → Defined Contribution → IRAs
- ➔ Proliferation and growth of sovereign wealth funds
- ➔ Led by China and India, growing middle-class and HNW savers in developing countries
- ➔ Active, passive and alternative investments becoming building blocks for multi-asset solutions

Alternatives Growing Nearly Twice as Fast as the Industry

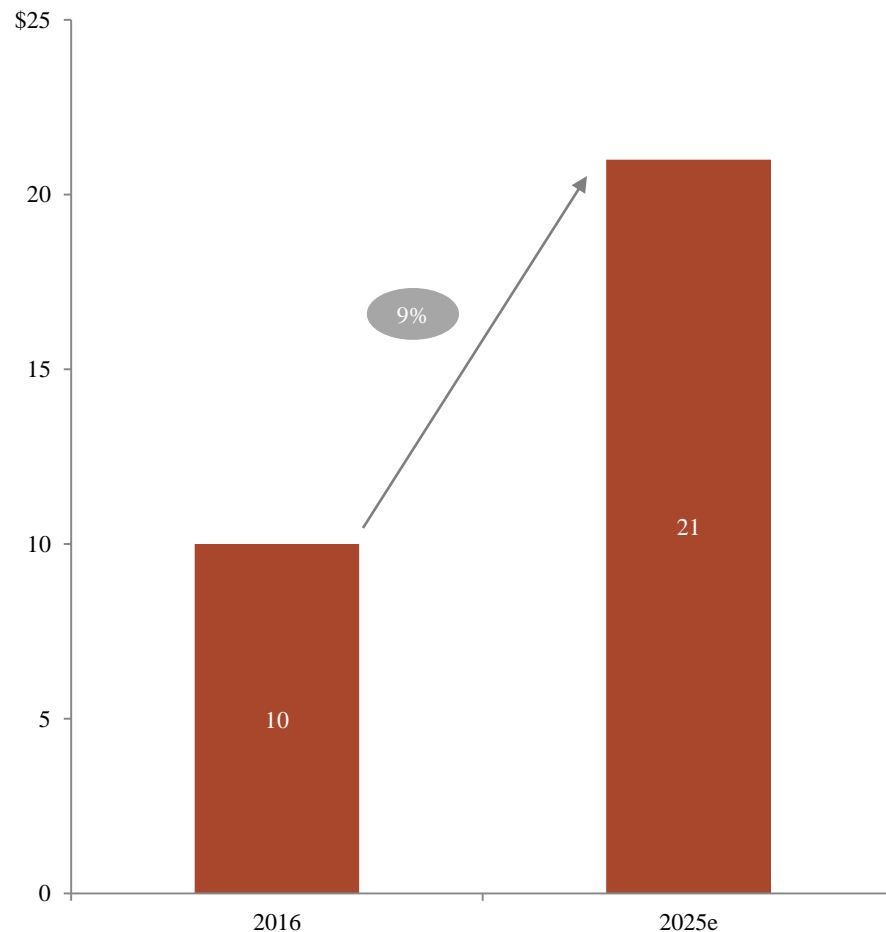
TOTAL CLIENT AUM

(\$ in trillions)



ALTERNATIVE AUM

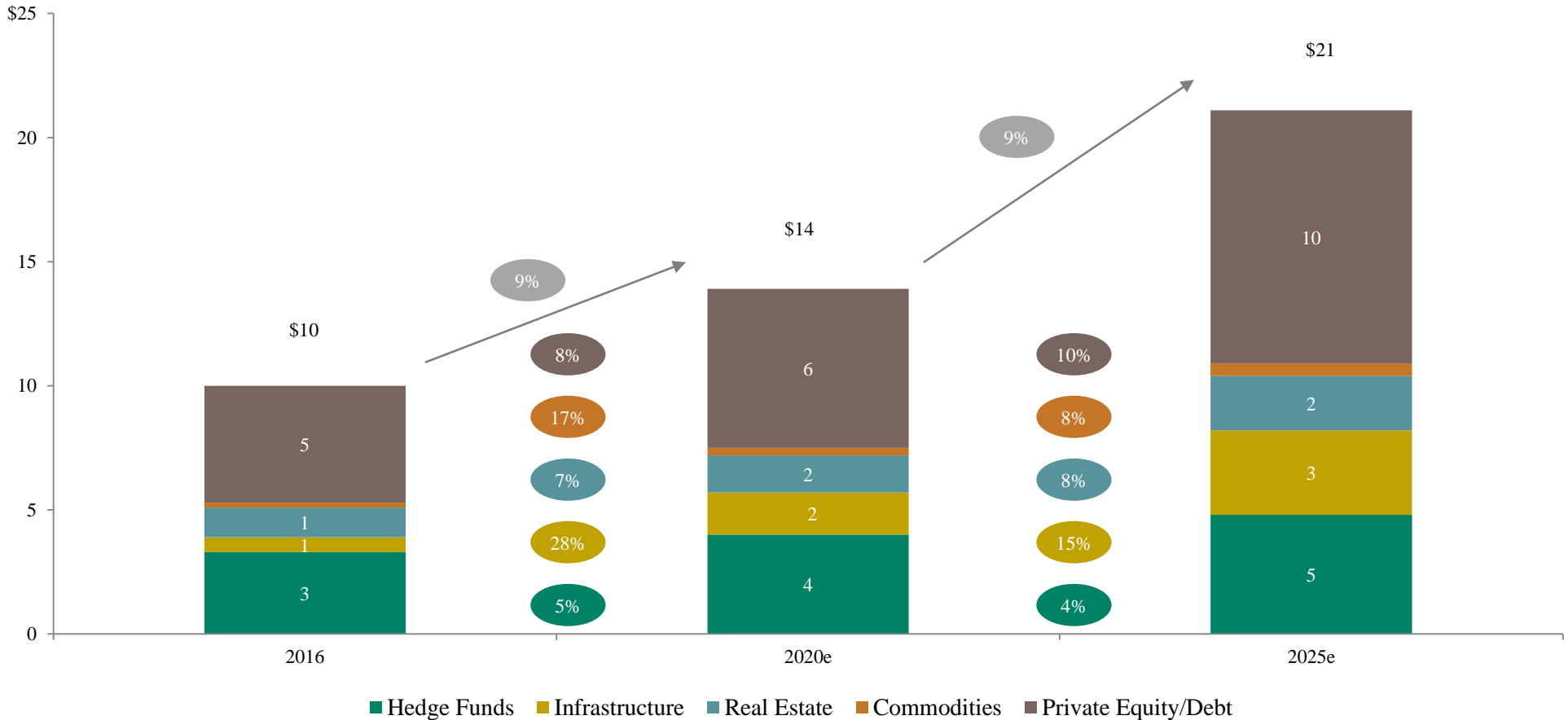
(\$ in trillions)



Growth Rates for “Traditional” Alternatives Are Highest

ALTERNATIVES AUM BY TYPE

(\$ in trillions)



While Private Equity is expected to grow the most in absolute terms, Infrastructure and Private Debt should grow fastest

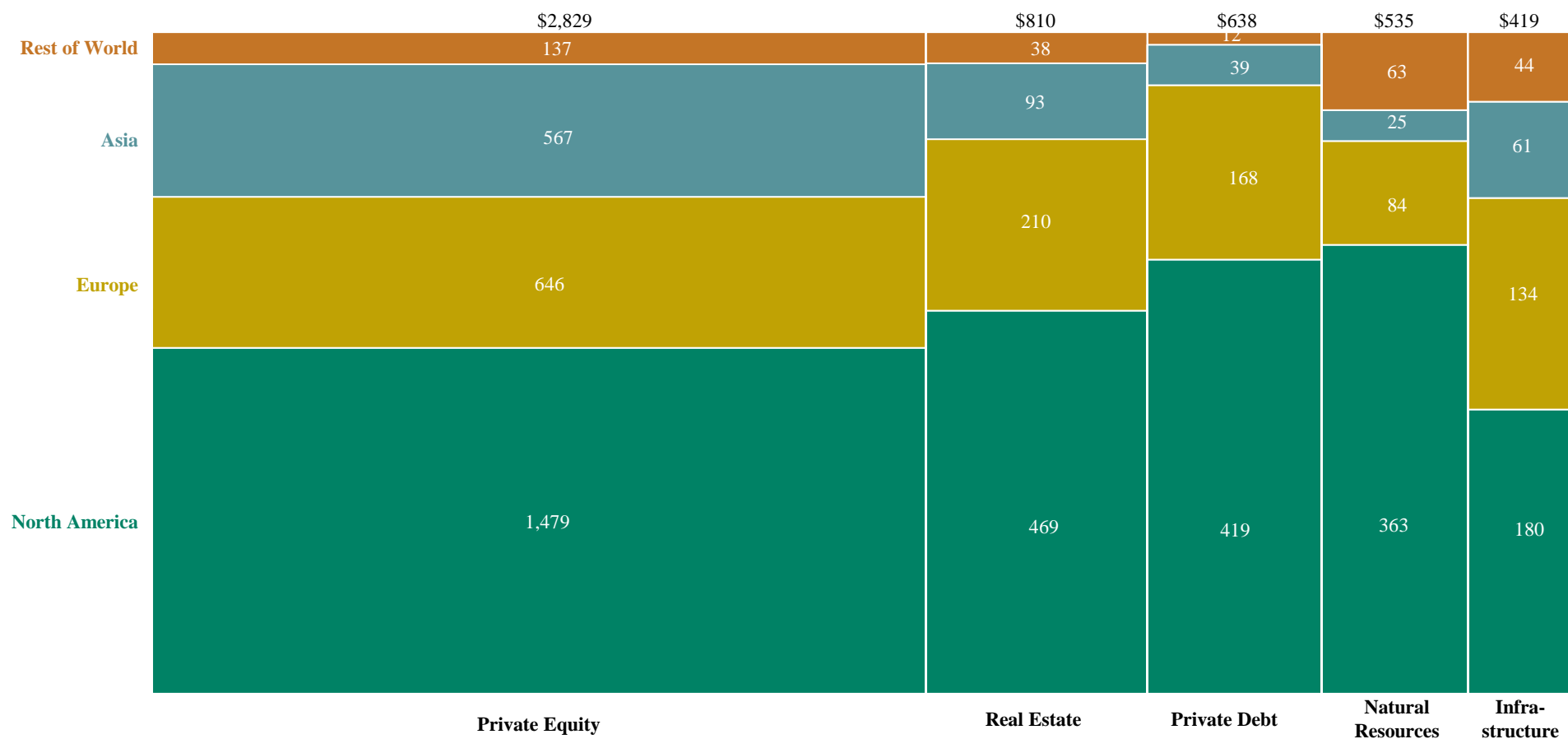
Source: PwC Market Research Centre analysis

Past data based on: EFAMA, The City UK, Insurance Europe, Financial Stability Board (FSB), Credit Suisse, Towers Watson, OECD, and World Bank.

Geographies Invest Differently Across Alternatives

PRIVATE MARKET AUM

(\$ in billions)

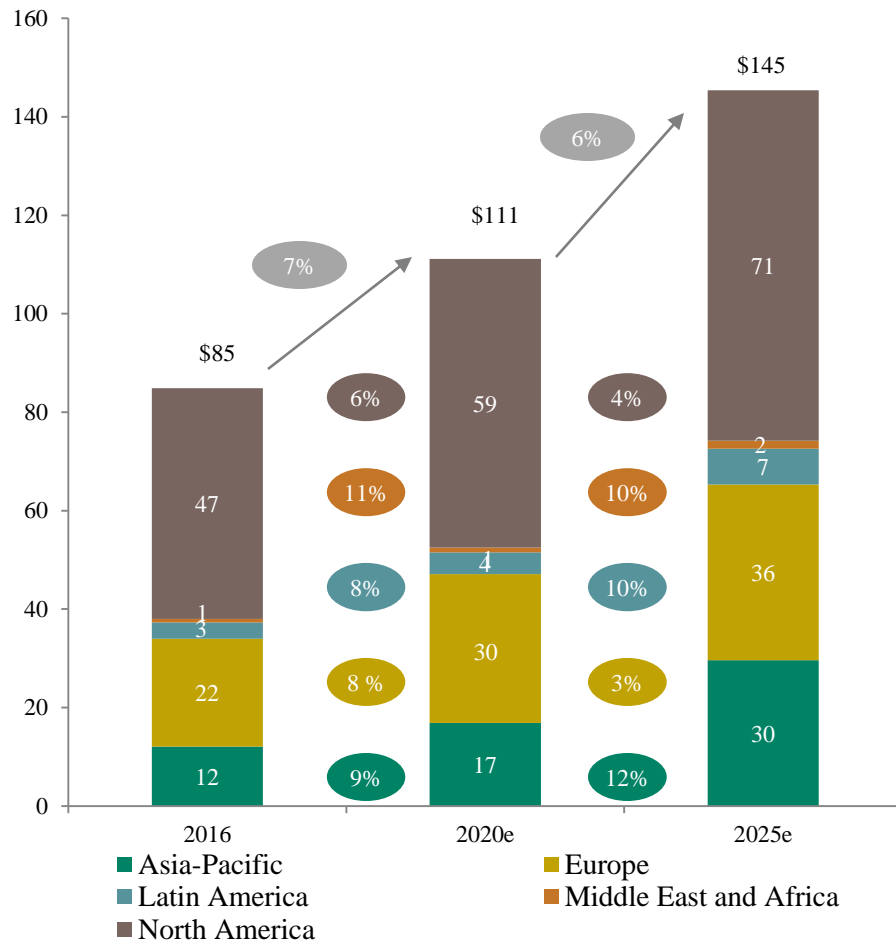


Credit is underrepresented in Asia relative to Private Equity

Growing Fundraising Outside of the Americas

INDUSTRY

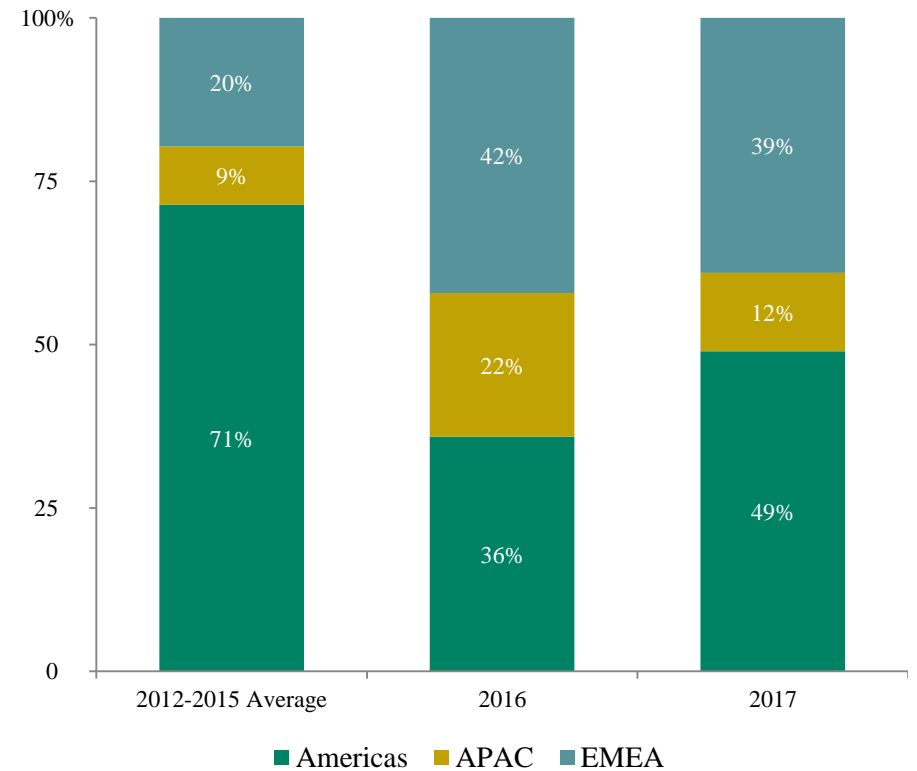
(\$ in trillions)



OAKTREE

EX-AMERICAS FUNDRAISING CONTRIBUTION

- 2012-2015 AVERAGE: 29%
- 2016: 64%
- 2017: 51%

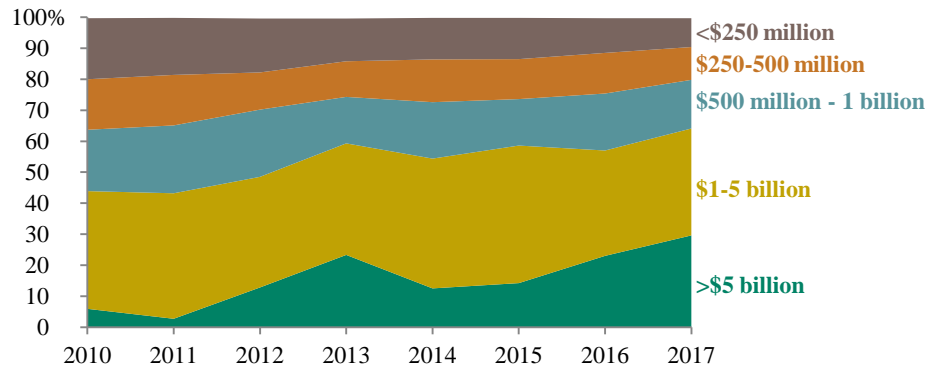


Fastest growth rates are in Asia and Latin America

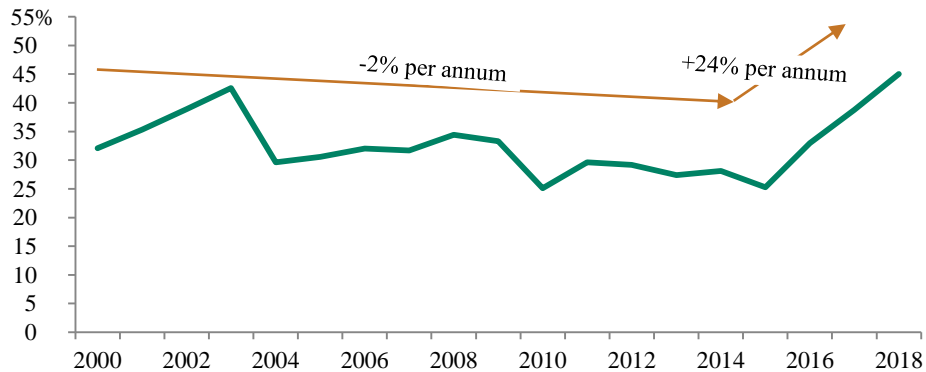
Mega-Firms Are Growing the Fastest

INDUSTRY¹

Global private markets fundraising by fund size and year, % of total in-year fundraising amount

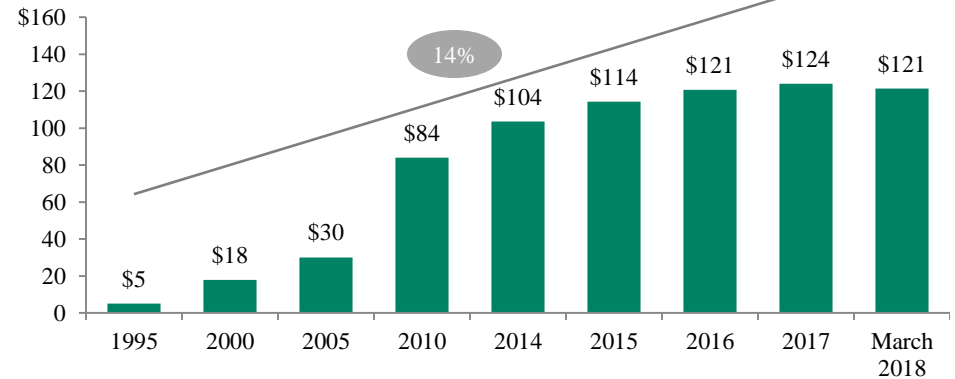


Fundraising market share across all asset classes, top 20 private markets firms

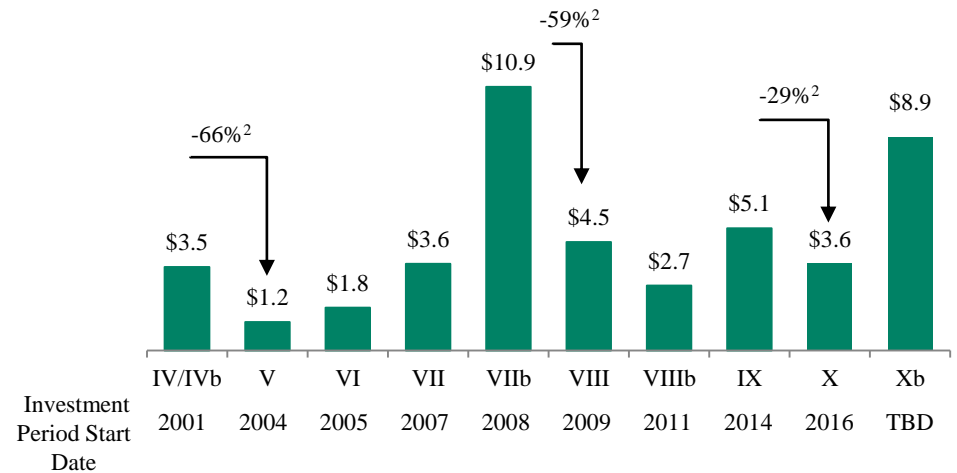


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Historical assets under management (\$ in billions) as of December 31, unless otherwise noted



Distressed Opportunities funds sized to opportunity set (\$ in billions)



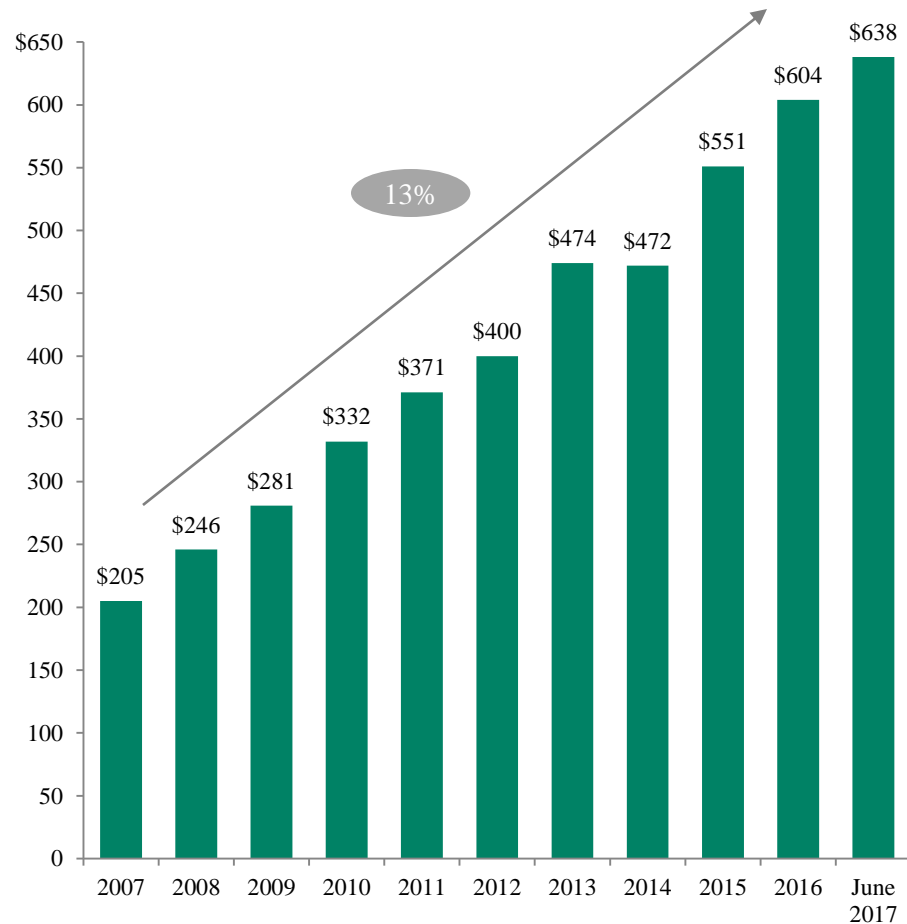
¹ Private equity, real-estate private equity (i.e., closed-end funds), private debt closed-end, natural resources closed-end funds, and infrastructure closed-end funds. Secondaries and fund of funds are excluded to avoid double counting of capital fundraised. Source: Preqin; McKinsey analysis

² Percentage represents the decrease in capital commitment from predecessor fund.

Private Credit is Booming

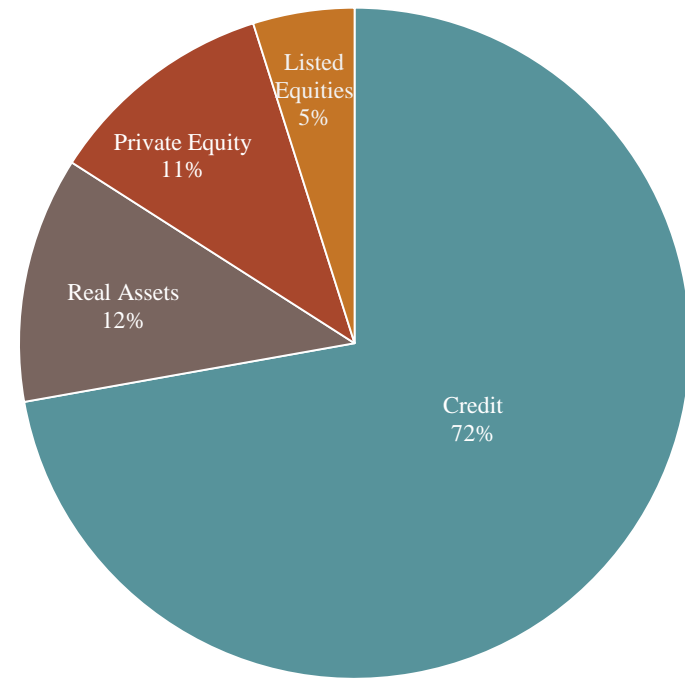
INDUSTRY

Private Credit Global AUM (\$ in trillions)



OAKTREE¹

Asset Class Mix (by AUM) as of March 31, 2018



Source: Preqin. There is no guarantee these trends will continue.

¹ Excludes proportionate amount of DoubleLine Capital AUM.

Where Are We Today?

TAILWINDS

- Synchronized global growth
- Strong corporate earnings
- Stimulus from tax cuts
- Near record level of “dry powder”
- CAPEX growth to accelerate
- Loosening of regulations
- Pro-business administration and Congress
- Strong consumer confidence
- “Animal spirits have been released”

HEADWINDS

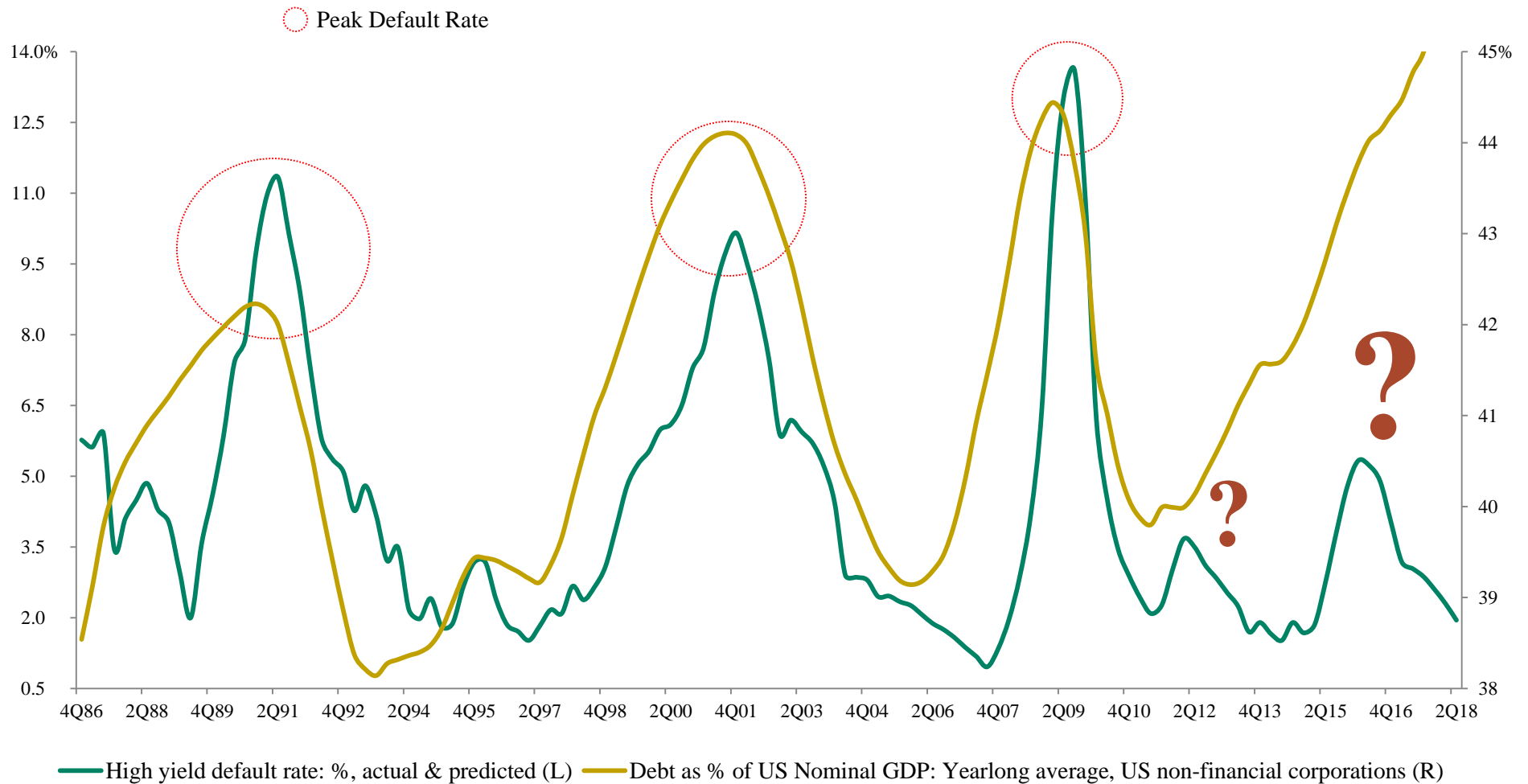
- High asset prices
- Low prospective returns
- Increasing rates in the U.S.
- Tightening global monetary policy
- Debt levels very high
- Debt service costs rising (floating rate debt) and debt service coverage ratios falling
- Debt quality low (covenant lite)
- Complacency (EM debt surge, higher volatility, flattening yield curve)

WILDCARDS

- Higher inflation
- Risk of new tariffs and trade war
- Consumer spending growth
- Tech regulation or user blowback
- Underfunded pensions
- Dramatic growth in passive investing
- High amount of risk taking
- Geopolitical and cyber risks
- Mid-term elections
- Large and growing budget deficits
- Non-traditional U.S. President
- “Has the easy money been made?”

You Can't Predict, but You Can Prepare

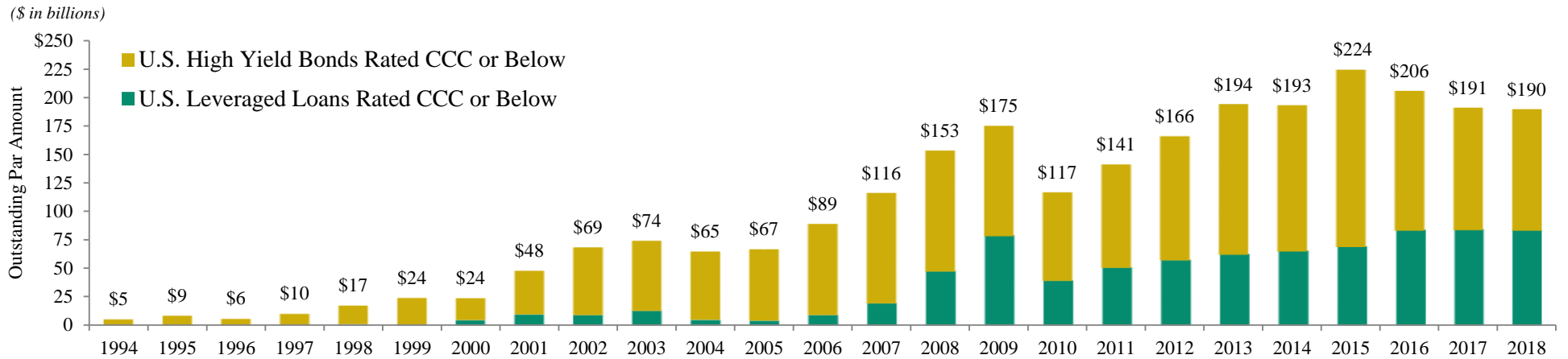
RECENT DEFAULT RATE AND ITS PROJECTED TREND DEFY RECORD RATIO OF CORPORATE DEBT TO U.S. GDP¹



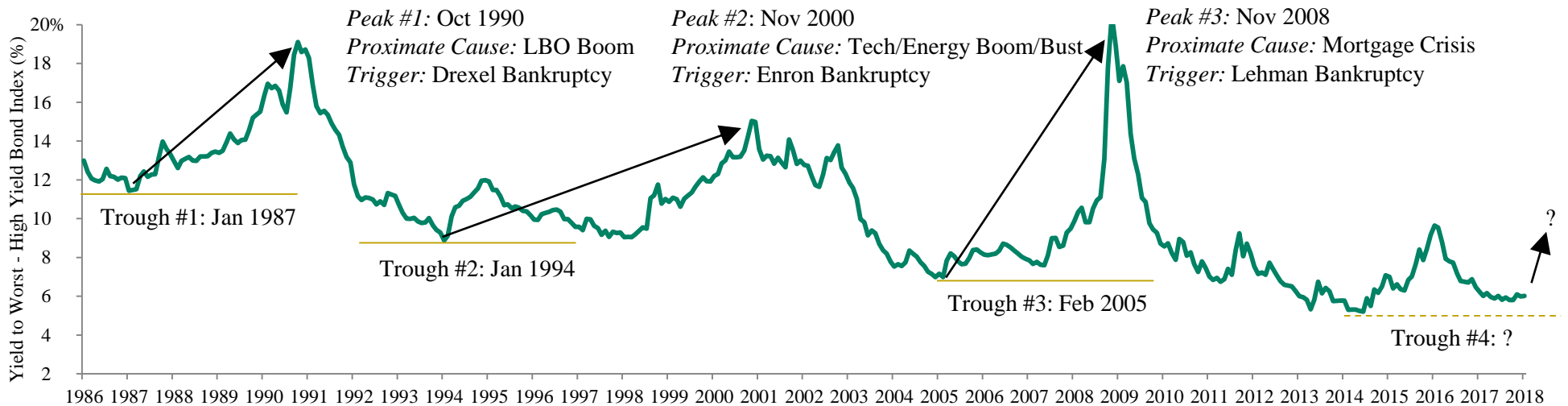
¹ Source: MarketWatch.

It Feels Late in the Cycle ...

INVENTORY OF LOW-QUALITY DEBT IS NEAR ALL-TIME HIGHS¹



YIELDS ARE BELOW THE TROUGHS PRECEDING PREVIOUS EXPANDED OPPORTUNITIES²

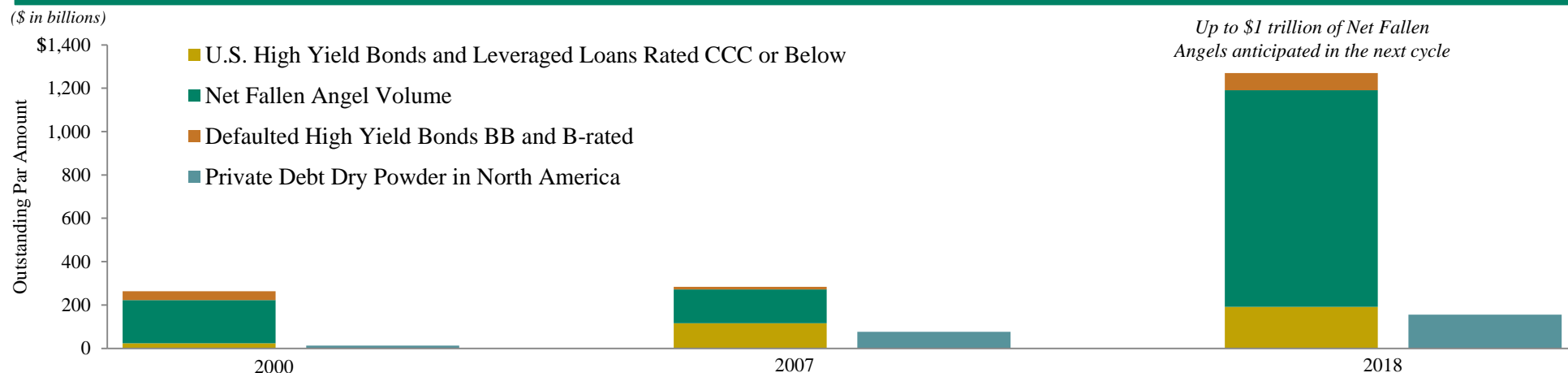


¹ As of January 31, 2018. Based on the constituents of the Credit Suisse High Yield and Leveraged Loan Indices, and excludes defaults. Source: Credit Suisse

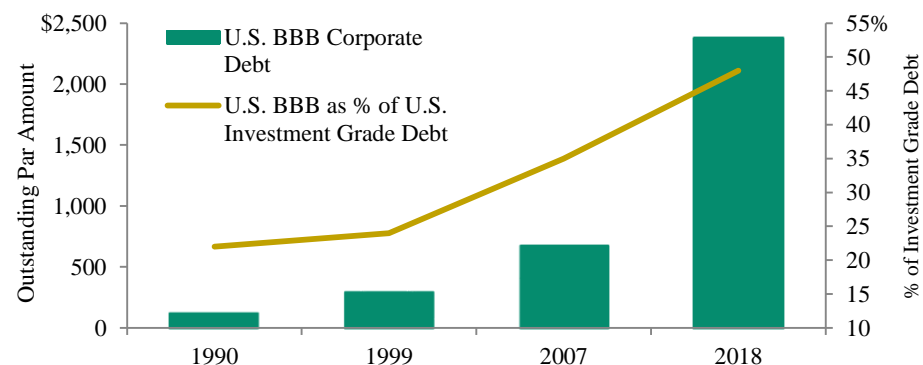
² As of January 31, 2018. Source: Credit Suisse

... And the Opportunity Set Could Be Significant

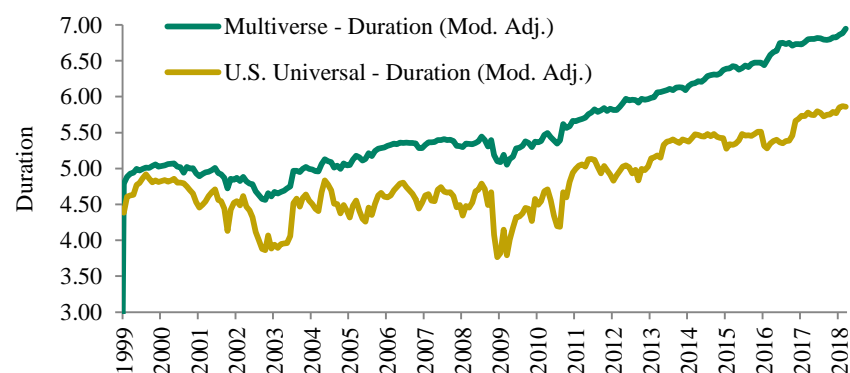
INVENTORY OF LOW-QUALITY DEBT IS SIGNIFICANTLY HIGHER THAN PRIOR EXPANDED OPPORTUNITIES AND THE AMOUNT OF POTENTIAL SUPPLY FAR EXCEEDS THE AMOUNT OF DRY POWDER OUTSTANDING¹



FALLEN ANGEL CANDIDATES (I.E., BBB DEBT) HAVE GROWN²



RISING DURATION WILL LEAD TO LARGER PRICE DROPS IN NEXT CYCLE³



Source: Preqin, Morgan Stanley, J.P. Morgan, Credit Suisse, Barclays and Bloomberg

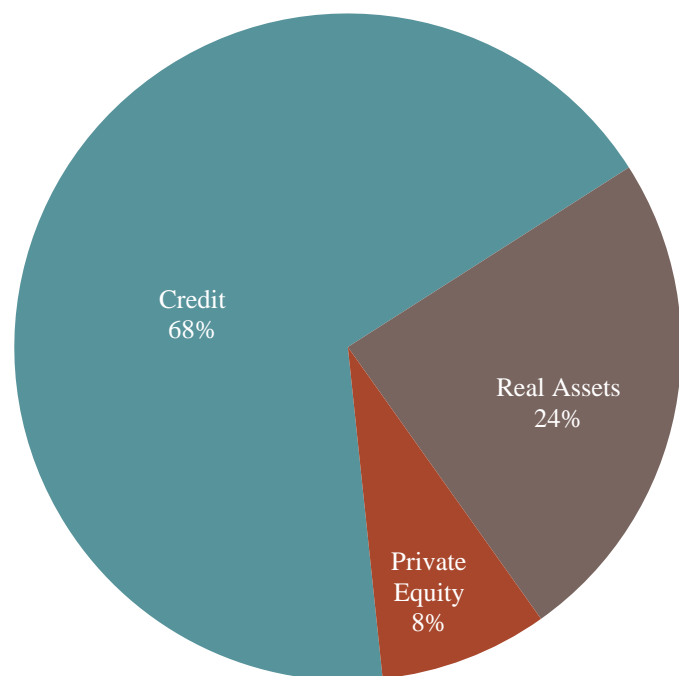
¹ U.S. High Yield Bonds and Leveraged Loans rated CCC and below are based on the constituents of the Credit Suisse High Yield and Leveraged Loan Indices and excludes defaults. Net Fallen Angel volume is based on Morgan Stanley's statistics for Fallen Angels during previous credit cycles as of July 28, 2017. While the CCC and below data represents the outstanding par amount as of December 31, 2000, December 31, 2007 and March 31, 2018, the Fallen Angel volume represents the par amount for a range of time: 1Q 2000 – 3Q 2003, 3Q 2007 – 4Q 2009 and an estimate for the next cycle's "Implied" Fallen Angel volume, calculated by multiplying the proportion of fallen angels seen in the previous two cycles as a percentage of the BBB index, times the current BBB index par. Defaulted High Yield Bonds BB and B-rated data is based on J.P. Morgan's statistics for outstanding par amounts as of December 31, 2000, December 31, 2007 and December 31, 2017, multiplied by default rates by rating as seen in 2001, 2008 and 2001, respectively.

² Bloomberg Barclays Index. As of March 31, 2018.

³ Bloomberg Barclays Multiverse Index and U.S. Universal Index. As of March 31, 2018.

We're Well-Positioned for Future Investment Opportunities

NEAR-RECORD DRY POWDER OF \$20 BILLION¹



CONTINUED STRENGTH IN FUNDRAISING

- **Developing Multi-strategy Solutions:** offers flexible and dynamic asset allocation across a broad spectrum of “core” and “alpha” strategies
- **Expanding our Real Estate Platform via Debt and Income Vehicles:** offers attractive total return potential with high current income and downside protection
- **Investing in Emerging Markets through Both Debt and Equities:** offers expert access to the compelling, yet difficult to navigate, emerging markets through government and corporate debt and publicly-traded equities
- **Growing our Infrastructure Business:** offers access to the increasingly necessary, popular and attractive private participation in infrastructure development projects
- **Broadening our Direct Lending Business:** offers attractive risk-adjusted return potential due to the regulatory environment and high prices in public credit markets

While maintaining our focus on risk control and discipline in deploying dry powder

¹ “Dry powder” is defined as uncalled capital commitments in our closed-end funds.

Oaktree's Mantra: "Move Forward, but with Caution"

OAKTREE GROSS CAPITAL RAISED AND CLOSED-END CAPITAL INVESTED AND DISTRIBUTED¹

(\$ in billions)



We have three main tasks: fundraise, invest well and harvest

¹ Gross capital raised is across all of Oaktree's funds. Capital invested and distributions are across all of Oaktree's closed-end funds only. Data is shown from the year of Oaktree's IPO (2012) to present.

Benchmark Disclosures

BENCHMARK DETAIL

U.S. High Yield Bonds:

Citigroup U.S. High Yield Cash-Pay Capped Index

European High Yield Bonds:

ICE BofAML Global Non-Financial High Yield European Issuers
excluding Russia 3% Constrained Index (USD Hedged)

Strategic Credit:

Citigroup High Yield Market Capped Index

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